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NEWS

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Illinois Department of Insurance Urges Consumers to Review Policies During Life Insurance Awareness Month

CHICAGO – September is Life Insurance Awareness Month and the Illinois Department of Insurance encourages Illinois families to review and understand how lifestyles affect the benefits and needs for life insurance.

“Diet and exercise are the best ways to maintain a healthy lifestyle, but a review of life insurance policies and coverage is important during the current economic turmoil in order to maintain a healthy budget,” said Michael T. McRaith, Director of the Illinois Department of Insurance. “Balancing your family’s budget and staying healthy go hand-in-hand.”

The Illinois Department of Insurance offers advice on how a healthy lifestyle may both lower your life insurance premiums and reduce your risk of unhealthy conditions:

Your health and lifestyle affect your insurance rates

- When you apply for individual life or health insurance, you provide answers to detailed questions regarding your health. Your answers provide insurance companies with an idea of your overall health. Based on your answers, insurance companies may ask for additional medical information or tests prior to considering your application for coverage.
- The cost of an individual health or life insurance policy takes into account your age, height, weight, medical history, occupation, driving record, your family health history and other personal habits like smoking.
- Maintaining a healthy weight, practicing good health habits and seeking regular medical care can be important in lowering your insurance costs. Health and lifestyle information gathered by the insurance company is used to determine whether you get coverage, as well as the premium you are charged.
- For more information about purchasing life insurance and what an insurance company might ask on an individual health insurance application be sure to visit the [Department’s Web site \(www.insurance.illinois.gov\)](http://www.insurance.illinois.gov) or the [Web site of the National Association of Insurance Commissioners \(www.naic.org\)](http://www.naic.org).

Some personal habits can increase premiums

- Smokers pay higher premiums than non-smokers. Even if you only smoke a few cigarettes a day, an insurance company could charge you the same premium as a heavy smoker.

- If you are a smoker or if you use smokeless tobacco, it may be possible for you to lower your insurance premium by quitting. After you have remained “smoke-free” for a time period specified by your insurance company, you may qualify for the lower, non-smoker premium.
- High-risk activities – You will be asked about your hobbies and activities on your application. Insurance companies typically charge higher premiums if you participate in high-risk activities such as: mountain climbing, horseback or motorcycle riding, flying an airplane, or other aviation-related activities (*e.g.* ultra light flying, hang gliding, or sky diving). You might be able to lower your insurance premiums by cutting back on your participation in such high-risk activities. Talk with the insurance company or agent about your options.

Your lifestyle may have an effect on the insurance coverage you have through work

- If you have health insurance coverage through your employer, your employer pays a substantial portion of the total health insurance premium. The frequency, severity and duration of health insurance claims filed by you and your co-workers are taken into account every year. This assessment is used to determine the insurance rates the health insurance company charges your employer the following year. If your employer’s insurance premium goes up, the company can choose to absorb the increase or pass it on to you as an increase in the premium you pay as an employee.

Take advantage of free programs

- Some insurance companies provide information regarding lifestyle and good health habits on their Web sites. These tools often include online nurses, health assessment and coaching, symptom checkers, weight-loss and smoking cessation advice, and information about how to improve your overall health and well-being. Ask your insurance company or agent if you have access to these types of programs.

More information

The Department’s mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry’s market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto and homeowners. Consumers in need of information or assistance should visit the Department’s Web site at www.insurance.illinois.gov or call our toll-free hotline at (866) 445-5364.

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